

Fill in this information to identify your case:

Debtor Joseph Klaynberg (MG)

United States Bankruptcy Court for the: SOUTHERN DISTRICT OF NEW YORK

Case number 22-10165 (MG)  
(if known)

Official Form 426

**Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest**

12/17

This is the *Periodic Report* as of 02/28/22 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

[Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
Wonder Works Construction Corp.	42%	

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

*Exhibit A* contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

*Exhibit B* describes the Controlled Non-Debtor Entity's business operations.

*Exhibit C* describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

*Exhibit D* describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

*Exhibit E* describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

**This Periodic Report must be signed by a representative of the trustee or debtor in possession.**

Debtor Name: Joseph Klaynberg

Case number 22-10165 (MG)

The undersigned, having reviewed the Entity Reports for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this Periodic Report and the attached Entity Reports are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-Individual  
Debtors:

☒

\_\_\_\_\_  
Signature of Authorized Individual

\_\_\_\_\_  
Printed name of Authorized Individual

Date \_\_\_\_\_  
MM/ DD / YYYY

For individual Debtors:

☒

Joseph Klaynberg  
Signature of Debtor 1

Joseph Klaynberg  
Printed name of Debtor 1

Date 3/7/22  
MM/ DD / YYYY

☒

\_\_\_\_\_  
Signature of Debtor 2

☒

\_\_\_\_\_  
Printed name of Debtor 2

Date \_\_\_\_\_

MM/ DD / YYYY

Debtor Name: Joseph Klaynberg

Case number 22-10165 (MG)

**Exhibit A: Financial Statements for Wonder Works Construction Corp.**

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**Exhibit A-1: Balance Sheet for Wonder Works Construction Corp. as of [date]**

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[Provide a balance sheet dated as of the end of the most recent 3-month period of the current fiscal year and as of the end of the preceding fiscal year.

Describe the source of this information.]

See attached.

Wonder Works Construction Corp.

Balance Sheet

December 31, 2021

Assets

Current Assets

CS.01	Charles Schwab - MM #7457-	\$ 36,520.11	
MT.12	M&T - ESOP #9863698826	1,325.73	
MT.13	M&T - Operating Account #9	511,970.15	
1110.00	Accounts Receivables	3,908,231.90	
1111.00	Retainage Receivable	1,979,482.97	
1111.01	Bad Debt Reserve	(161,104.13)	
1113.00	Reimbursable Expenses Rece	4,795.83	
1310.00	Prepaid Insurance	16,244.32	
1400.00	Costs Incurred in Excess o	484,324.00	
1694.00	Leasehold Improvement	266,037.00	
1695.00	A/D - L/I	(554.24)	
Total Current Assets			\$ 7,047,273.64

Long Term Assets

1336.00	WWCC Loan to EB	\$ 15,000.00	
1336.01	WWCC Loan to EB	16,022.88	
1336.02	WWCC Loan to EB	16,022.88	
1620.00	Telephone Equipment	11,091.00	
1621.00	Acc Dep Telephone Equipmen	(11,091.00)	
1640.00	Automobiles	27,781.92	
1641.00	Acc Dep Automobiles	(27,781.92)	
1650.00	Equipment	14,164.89	
1651.00	Acc Dep Equipment	(7,080.96)	
1660.00	Computer Equipment	136,256.98	
1660.01	Acc Dep Computer Equipment	(106,633.95)	
1690.00	Furniture & Fixtures	156,968.32	
1691.00	Acc Dep Furniture & Fixtur	(128,101.00)	
1815.00	Security Deposit - Rent	40,000.00	
Total Long Term Assets			\$ 152,620.04

Total Assets

\$ 7,199,893.68

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Wonder Works Construction Corp.

Balance Sheet

December 31, 2021

Liabilities and Equity

Current Liabilities

2000.00	Accrued Expenses Payable	\$ 73,485.16	
2010.00	Accounts Payable	3,782,086.11	
2040.ML	Money Purchase Pension Tru	90,634.22	
2180.00	Sales Tax Payable	31,489.95	
2205.00	Visa Payable	2,652.03	
2210.00	AMEX GOLD Payable	88,306.19	
2250.00	Billings in Excess of Cost	197,346.00	
2700.00	Customer Deposits	<u>1,079.67</u>	
Total Current Liabilities			\$ 4,267,079.33

Long Term Liabilities

2011.00	Retainage Payable	\$ 2,434,735.45	
2600.50	Loan Payable - Joseph Klay	357,161.44	
2603.00	SBA PPP Loan #9886457108	10,000.00	
2603.05	SBA PPP Loan #3692478507	457,862.00	
2604.00	SBA EIDL Loan	<u>144,052.00</u>	
Long Term Liabilities			<u>\$ 3,403,810.89</u>
Total Liabilities			\$ 7,670,890.22

Equity

2900.00	Common Stock	\$ 1,000.00	
2970.00	Retained Earnings	3,071,633.53	
	Net Income	<u>(3,543,630.07)</u>	
Total Equity			<u>\$ (470,996.54)</u>
Total Liabilities & Equity			<u>\$ 7,199,893.68</u>

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**Exhibit A-2: Statement of Income (Loss) for Wonder Works Construction Corp. for period ending [date]**

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[Provide a statement of income (loss) for the following periods:

(i) For the initial report:

a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and

b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See attached.

**Wonder Works Construction Corp.**  
Income Statement  
For the Period Ended December 31, 2021

Account	Title	Current Activity	Current Balance
<b><u>Income</u></b>			
3010.00	Sales	\$ (566,787)	\$ 26,247,899
3011.00	General Conditions	86,003	2,433,255
3012.00	Fees	42,177	1,240,478
3013.00	Insurance	25,222	926,908
3025.00	Sales Contra Account	(3,234,205)	(3,576,972)
Total Income		\$ (3,647,590)	\$ 27,271,568
<b><u>Cost of Sales</u></b>			
4130.00	Subcontractors	\$ (183,677)	\$ 17,565,141
4150.00	Other Job Expenses	(58,105)	757,452
4160.00	Materials Expenses	108,759	5,055,294
4200.00	Equipment Rental	33,947	849,036
4230.00	Specs & Plans		241
4241.00	ER SS/Med Expense	10,220	162,794
4242.00	ER SUI Expense	194	12,204
4243.00	FUTA Expense	24	1,329
4245.00	Health Insurance	(7,751)	(91,326)
4250.00	Payroll: Field	87,547	1,149,870
4320.00	Payroll: Clerical	52,759	762,390
4350.00	Payroll: Officer	16,538	244,208
Total Cost of Sales		\$ 60,455	\$ 26,468,633
Gross Margin		\$ (3,708,045)	\$ 802,935
<b><u>Expenses</u></b>			
5090.00	Payroll: Processing Fees	\$ 9,944	\$ 139,745
5125.00	MTA Commuter Tax	504	6,873
5150.00	Rent Expense	43,731	520,099
5160.00	Office Expenses	7,787	129,533
5170.00	Messenger Service	(335)	(229)
5180.00	Office Equipment Leasing	454	5,677
5190.00	Telephone Expense	1,371	15,640
5210.00	Postage & Delivery	580	2,899
5220.00	Advertising		280
5250.00	Professional Fees - Other	11,888	253,472
5250.01	Professional Fees (421 Kent		25,376
5250.10	Consulting Fees	5,000	5,000
5251.00	ESOP-Consulting	3,980	12,415
5253.00	ESOP-Contribution		45,332
5280.00	Professional Fees - Account	4,602	76,515
5290.00	Professional Fees - Legal	13,452	16,811

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**Wonder Works Construction Corp.**  
Income Statement  
For the Period Ended December 31, 2021

Account	Title	Current Activity	Current Balance
5290.01	Legal Expenses (421 Kent Av	\$ 24,576	\$ 48,210
5290.02	Legal Expenses (388 Berry S		7,300
5290.05	Legal Expenses (455 West 19		(96)
5290.06	Legal Expenses (436/442 E 1	16,702	27,702
5290.07	Legal Expenses (WWML v NAHL	654	114,282
5290.08	Legal Expenses (101 Pearl S		32,851
5340.00	LOC Interest Expense		32,218
5345.00	Interest Expense		23,068
5350.00	Donations		1,126
5370.00	Wireless Communications	4,123	31,317
5375.00	Internet Expense	1,380	10,705
5860.00	Automobile Leasing	2,469	41,851
5870.00	Travel Expense	1,690	47,751
5880.00	Parking Expense	4,369	41,171
5890.00	Fuel Expense	255	22,034
5900.00	Parking Violations	1,911	8,586
5910.00	Automobile Expense	132	9,001
5920.00	Automobile Repairs		6,772
5930.00	Toll Expense	1,850	30,429
6010.00	Travel - Lodging		1,403
6030.00	Employee Bonuses	8,600	8,600
6035.00	Gifts & Gratuities		200
6040.00	Meals & Entertainment	3,756	88,591
6121.00	Utilities Expense	1,991	32,332
6150.00	Bond Expense	390,964	397,825
6210.00	Bank Service Charges	1,405	14,121
7400.00	Employee Benefits	22,803	261,668
7500.00	Health Insurance		(6)
7520.00	General Liability	68,125	862,009
7520.01	Umbrella	32,282	387,395
7520.02	Excess Liability	27,759	333,101
7521.00	Property Insurance	8,417	101,000
7522.00	Pullution Insurance	866	10,395
7530.00	Workers Compensation		30,000
7550.00	Automobile Insurance	1,588	(730)
8770.00	NYS Corporation Franchise T	1,500	4,825
8771.00	NYC Corporation Franchise T	6,000	29,000
8785.00	CT Corp Tax		<u>1,000</u>
	Total Expenses	\$ 739,125	\$ 4,354,445

**Other Income**

3012.50	Management Fees (OTHER)	\$ 7,594
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**Wonder Works Construction Corp.**  
Income Statement  
For the Period Ended December 31, 2021

Account	Title	Current Activity	Current Balance
3050.00	Discount Earned on Purchase	\$ 26	\$ 291
3070.00	Interest Income	(12)	(5)
	Total Other Income	\$ 14	\$ 7,880
	Net Income (Loss)	<u>\$ (4,447,156)</u>	<u>\$ (3,543,630)</u>

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**Exhibit A-3: Statement of Cash Flows for Wonder Works Construction Corp. for period ending [date]**

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[Provide a statement of changes in cash position for the following periods:

(i) For the initial report:

a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and

b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

None.

**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit) for Wonder Works Construction Corp.**  
for period ending [date]

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[Provide a statement of changes in shareholders'/partners equity (deficit) for the following periods:

(i) For the initial report:

a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and

b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

None.

**Exhibit B: Description of Operations for Wonder Works Construction Corp.**

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[Describe the nature and extent of the Debtor's interest in the Controlled Non-Debtor Entity.

Describe the business conducted and intended to be conducted by the Controlled Non-Debtor Entity, focusing on the entity's dominant business segments.

Describe the source of this information.]

General contractor based in NYC doing work currently in NYC and Hartford CT.

**Exhibit C: Description of Intercompany Claims**

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[List and describe the Controlled Non-Debtor Entity's claims against any other Controlled Non-Debtor Entity, together with the basis for such claims and whether each claim is contingent, unliquidated or disputed.]

Describe the source of this information.]

**None**

**Exhibit D: Allocation of Tax Liabilities and Assets**

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[Describe how income, losses, tax payments, tax refunds, or other tax attributes relating to federal, state, or local taxes have been allocated between or among the Controlled Non-Debtor Entity and one or more other Controlled Non-Debtor Entities.

Include a copy of each tax sharing or tax allocation agreement to which the entity is a party with any other Controlled Non-Debtor Entity.

Describe the source of this information.]

This is a "S" Corporation from which the Debtor receives a K-1, reporting his share of the income or loss based on his ownership percentage.

**Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor**

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[Describe any payment made, or obligations incurred (or claims purchased), by the Controlled Non-Debtor Entity in connection with any claims, administrative expenses, or professional fees that have been or could be asserted against any Debtor.

Describe the source of this information.]

**\$20,000 paid to Thaler Law Firm for retainer payment for Joseph Klaynberg. Claim against Debtor has been waived. Non-Debtor entity pays rental obligations for Debtor's apartment lease. Claims against Debtor have been waived.**